

March 1, 2006

Mr. Robert Atwood
PacifiCorp
825 NW Multnomah Ave, Suite 1500 LCT
Portland OR 97232

RE: 401 Water Quality Certification for PacifiCorp USCOE permit NWW No. 053200030, Cove Hydropower Facility decommissioning and removal, Bear River, Caribou County, Idaho

Dear Mr. Atwood:

The Idaho Department of Environmental Quality (DEQ) has considered water quality certification for PacifiCorp's application for a U.S. Army Corps of Engineer permit No NWW 053200030, to decommission and remove from the Bear River the Cove Hydropower Facility. PacifiCorp intends to decommission and remove the Cove Dam and restore approximately 1750 feet of river channel.

Under Section 401 of the Federal Clean Water Act (CWA), federal agencies issuing discharge permits must be provided a notice of certification from the state that requirements established by those permits will meet state water quality standards. By copy of this letter, the United States Army Corps of Engineers is being notified of our certification decision.

Idaho's Water Quality Standards and Wastewater Treatment Requirements (WQS, IDAPA §58.01.02) have three basic components: beneficial use classifications for waters of the state; criteria to protect existing and designated beneficial uses; and an anti-degradation policy. PacifiCorp's Cove Dam and adjacent facilities are located directly on Bear River. These waters are protected for the following uses: coldwater biota, salmonid spawning, primary contact recreation, drinking water supply, agricultural and industrial water supply, wildlife habitat and aesthetics (IDAPA §58.01.02.100.03.b.c, 04, 05 and 160.03.). The Bear River is listed as an impaired waterbody in the State of Idaho's 2002 Integrated 303(d)/305(b) Report, based on this the Department must limit discharges of pollutants the Bear River.

Idaho's anti-degradation policy requires the maintenance of existing uses and the level of water quality necessary to protect those uses. DEQ's review has focused on direct, cumulative and potential future impacts of this activity on maintaining and/or restoring beneficial uses in this reach of Bear River.

The following conditions are necessary to ensure compliance with Idaho Water Quality Standards:

1. PacifiCorp shall develop a water quality monitoring plan (“Cove Dam Removal WQMP”) to monitor turbidity, dissolved oxygen, suspended sediment concentration, total phosphorus, nitrate, and ammonia that meets the requirements set forth below.

PacifiCorp shall implement the Cove Dam Removal WQMP upon approval by the Idaho Department of Environmental Quality (IDEQ).

- The purpose of the Cove Dam Removal WQMP is to characterize water quality conditions above and below the project and determine the project’s contribution to any violation of water quality criteria set forth in Idaho’s Water Quality Standards and Wastewater Treatment Requirements, IDAPA 58.01.02 (Water Quality Standards). The Cove Dam Removal WQMP will provide for continuous (5 minute intervals) monitoring of turbidity and dissolved oxygen in the Bear River for the duration of the project. Continuous turbidity monitoring shall occur upstream of the project below the Grace tailrace and downstream immediately below the Cove Hydroelectric Plant. Turbidity and dissolved oxygen data shall be monitored real time by a qualified on-site person whenever construction activities are taking place below the ordinary high water mark (in-channel activities). Throughout the term of construction when in channel work is not taking place, continuous data shall be collected in order to monitor any contribution of sediment from the general construction area.
- Concurrent with continuous monitoring at the two sites, PacifiCorp will collect two water samples each day when in-channel activities will occur. Samples shall be taken below the Grace tailrace and immediately below the Cove Hydroelectric Plant prior to commencing in-channel activities and below the Cove Hydroelectric Plant 15-30 minutes following in-channel activities anticipated to create the highest turbidity for that day. Water samples shall be analyzed for suspended sediment concentration, total phosphorus, nitrate + nitrite, and ammonia. Following day one of in-channel activities, water sample collection shall continue; however, daily water samples collected that day need not be analyzed if the greatest measured turbidity increase as shown by the continuous monitoring due to construction activities for that day is less than 10 NTU. Once water quality samples taken at the prescribed turbidity levels have been analyzed, the Pocatello Regional Office of the IDEQ may forgive analysis of future samples taken on subsequent days at similar turbidities.
- Instrumentation utilized for continuous monitoring shall be accurate within ± 5 NTU for turbidity and ± 0.2 mg/L for dissolved oxygen concentration.
- Water quality monitoring shall be conducted by an independent, qualified consultant.
- Monitoring results shall be sent to the IDEQ within 24 hours of testing. If, however, turbidity or dissolved oxygen standards are violated as shown by the continuous monitoring, IDEQ shall be notified on a same day basis or as soon as possible.

2. PacifiCorp must obtain IDEQ approval of the WQMP prior to commencing dam removal activities. At a minimum, the WQMP shall comply with the requirements set forth in this certification and shall identify the sites for the monitoring, how background levels shall be established and the manner in which PacifiCorp shall collect and report the data, including QA/QC requirements.

3. Idaho's Water Quality Standards and Wastewater Treatment Requirements, IDAPA 58.01.02 (Water Quality Standards) provide a turbidity standard for surface water which reads that activity-related turbidity shall not exceed background levels by more than 50 NTU instantaneously or more than 25 NTU for more than ten (10) consecutive days. Dissolved oxygen shall not be less than 6 mg/L. If turbidity or dissolved oxygen standards are exceeded at any time due to project activities as shown by PacifiCorp's continuous monitoring, decommissioning activities shall cease immediately and appropriate action shall be taken to correct the situation causing excessive turbidity or insufficient dissolved oxygen prior to recommencing work.

4. If IDEQ determines that monitoring results show elevated levels of phosphorous, nitrates, ammonia or suspended sediment, IDEQ may require PacifiCorp take appropriate actions to prevent or minimize future water quality impacts. Any constituent concentration increasing > 25% from above to below-project samples, will be considered "elevated". Ammonia criteria shall be as described in Idaho's Water Quality Standards and Wastewater Treatment Requirements, IDAPA 58.01.02.250.02.d.

5. To the maximum extent practicable, sediments will be removed from the Cove forebay prior to dam removal.

6. Petroleum products, hazardous, toxic and/or deleterious materials shall not be stored, disposed or accumulated adjacent to or in the immediate vicinity of state waters unless adequate measures and controls are provided to ensure that those materials will not enter state waters as the result of high water, precipitation runoff, wind, storage facility failure, accidents in operation, or unauthorized third party activities. Vegetable-based hydraulic fluid must be used on equipment operating in or directly adjacent to the channel.

7. This certification shall remain in effect for a period of two (2) years from the date of issuance. If decommissioning activities are not begun within this 2 year period, the certification shall be void, and a new certification shall be required. If significant changes occur in the decommissioning plan, IDEQ shall be notified and these permit conditions may be revised to address those changes.

8. Water quality certification provided herein may be revoked for failure of the permittee to comply with the conditions of the referenced permit and/or requirements contained herein. IDEQ shall provide notice of its intent to revoke, and provide an opportunity for a contested case, prior to revocation.

The Department of Environmental Quality certifies pursuant to the provisions of Section 401, that if PacifiCorp complies with the terms and conditions imposed in this certification and with ACOE permit NWW No. 053200030, this activity will comply with

applicable requirements of Sections 301, 302, 303, 306 and 307 of the Clean Water Act, as amended, and will not violate Idaho's Water Quality Standards and Wastewater Treatment Requirements.

This section 401 certification and associated conditions may be appealed by submitting to IDEQ a petition to initiate a contested case, pursuant to Idaho Code § 39-107(5) and the Rules of Administrative Procedure Before the Board of Environmental Quality IDAPA 58.01.23, within 35 days of the date of this

Questions concerning the actions taken in this letter should be addressed to Lynn Van Every or Greg Mladenka, Pocatello Regional DEQ at (208) 236-6160.

Sincerely,

Mark Dietrich
Regional Administrator

Cc: Robert Brochu – Army Corps of Engineers, Idaho Falls.